

## **The Peacebuilding Commission Annual Session**

### **“Financing for peacebuilding”**

**29 November 2021**

#### **Chair’s summary**

##### **Opening Segment**

1. On 29 November 2021, the Peacebuilding Commission (PBC) convened its annual session on the theme: “Financing for peacebuilding.” The meeting, chaired by H.E. Mr. Osama Abdelkhalek [Egypt], Chair of the PBC, was convened to discuss good practices to ensure adequate and predictable financing for peacebuilding; to share progress made in implementing the Secretary-General’s proposals on financing; and to make recommendations on the content of PBC input into the General Assembly high-level meeting on financing.
2. In his introductory remarks, H.E. Mr. Osama Abdekhalek, Chair of the PBC, underlined the importance of the topic “financing for peacebuilding” and indicated that all those present shared the desire to strengthen the UN peacebuilding architecture. He acknowledged initiatives led by Member States in the lead up to the annual session and the GA high-level meeting in 2022 on financing for peacebuilding, including on innovative financing (spearheaded by Germany and Colombia,) effective peacebuilding financing (spearheaded by Sweden,) private sector financing (spearheaded by South Africa) and financing for peacebuilding in peacekeeping and transition settings (spearheaded by Egypt). He further noted that he remained committed to supporting all efforts to take this agenda forward by exploring a wide range of avenues, including voluntary, innovative and assessed funding. Assessed funding for peacebuilding was, he affirmed, central to these efforts. Without it, he warned, adequacy, predictability and sustainability would remain elusive. It was encouraging to note, he said, that the Secretary-General was going to submit a report to the Fifth Committee on additional dedicated resources to finance peacebuilding.
3. H.E. Mr. Abdulla Shahid, President of the General Assembly, underlined the cost-effectiveness of peacebuilding and sustaining peace, which, he said, “when threatened with a relapse into conflict, has been established beyond doubt.” He noted that the COVID-19 pandemic had exposed and exacerbated risks and vulnerabilities in situations of pre-existing fragility and stressed the importance of the 2030 agenda and of peacebuilding and sustaining peace in advancing the core principles of the United Nations Charter. In this respect, he underscored the need for inclusive and nationally owned processes informed by gender equality and respect for human rights, supported through well-coordinated partnerships and enabled by adequate, predictable financing. We must, he said, explore all available avenues to support peacebuilding financing, including partnering with international and regional financial institutions, the World Bank and the IMF, as well as with the private sector. He said he would do all he could to ensure that peacebuilding efforts receive the requisite funding and would convene a high-level meeting in 2022 to advance, explore and consider options for peacebuilding financing.

4. Ms. Rosemary DiCarlo, Under-Secretary-General for Political and Peacebuilding Affairs, indicated that the Secretary-General's report on "Our Common Agenda," presented to the PBC a month ago, included a new agenda for peace which called for an investment in prevention and peacebuilding, including through the PBC. She pointed to four key areas particularly relevant to consider: 1) the importance of financing to strengthen coherence across the peace and security continuum, including the work done by Special Political Missions in cooperation with development actors, regional partners and civil society to ensure better incentives and to foster collaboration across the UN system; 2) the way in which financing for peacebuilding ensures effective transitions and averts a "financial cliff" after a peacekeeping mission leaves (it was expected, she indicated, that the largest share of PBF investments during 2020-2024 would be directed to support countries undergoing complex transitions when UN configurations on the ground change); 3) the importance of strengthening partnerships with international financial institutions and regional development banks; 4) the need for additional and predictable funding in addition to voluntary or extrabudgetary contributions (the PBF, she said, is currently \$90 million below its target for 2021). She concluded by stating that adequate, predictable and sustained financing, including through assessed contributions, would allow the PBF to grow its investments in support of Our Common Agenda.
  
5. Mr. Yero Baldeh, Director, Transition States Coordination Office, African Development Bank Group, explained that the Bank is currently developing a new strategy with a focus on prevention, building back better from the COVID-19 pandemic, building community resilience, addressing regional fragility, catalyzing private investments in fragile settings, and strengthening strategic partnerships and coordination across the humanitarian-development-peace nexus. He stated that over 250 million Africans are affected by fragility and conflict and Africa is hosting over 29 million forcibly displaced due to conflicts and climate change. The Bank estimates that 30 million Africans were pushed into extreme poverty in 2020 and 39 million Africans might have fallen into extreme poverty by end of 2021, with the transition states bearing the heavier costs. He added that, over the past decade, Africa has witnessed a substantial increase in conflict-related incidents, from around 3,000 in 2009 to more than 17,000 in 2020, significantly increasing military expenditures and debt levels across the continent, particularly in sub-Saharan Africa and the Sahel region. He stressed the need to increase flexibility and synergies between different financing instruments and lauded the strengthened partnership with UN DPPA/PBSO, most recently in support of Burkina Faso and the MRU. He stressed that peacebuilding financing requires not just sufficient resources, but the right combinations of instruments, and presented the Bank's efforts to diversify its financing instruments. For example, in addition to its sovereign grants and concessional loans, the Bank has continued working with its strategic partners to crowd in additional resources from equity funds, institutional investors, and blended finance.
  
6. Ms. Soukeyna Kane, Director, Fragility, Conflict and Violence, World Bank Group, explained that, in line with the FCV strategy launched last year, the Bank had scaled up its financial support for countries affected by fragility, conflict and violence. Supporting countries emerging from fragility and conflict through investment in strengthening institutions, building capacity and taking advantage of windows of opportunity for reform was a priority, she said. Addressing the cross-over and spillover of conflict by providing

support to refugees and host communities was also a Bank area of focus. In addition, she said, the Bank provides support to the private sector in fragile markets with a view to boosting employment. She explained that the Bank works with a variety of partners, including with UN peacekeeping missions, in a number of countries such as CAR, DRC, and Mali in order to be able to provide development support in the most fragile settings where the World Bank has no presence on the ground. She noted the scaling up of financing of more than \$25 billion under the 19th replenishment round of the International Development Association (IDA19) across the fragility spectrum and the delivery of more than \$2.5 billion in new COVID related financing to over 30 FCV affected countries. The IDA20 replenishment was seeking \$95 billion or more this year, she noted, and would focus on crisis prevention to strengthen national systems. She underscored the importance of the partnerships with the UN, which should be mission driven and help to leverage respective mandates, capacities, and expertise to further support countries in the area of conflict prevention and resilience, COVID 19 response and address forced displacement and food security issues.

7. Mr. Philippe Valahu, CEO, Private Infrastructure Development Group, a multilateral organization governed by donors and the World Bank, presented private sector initiatives that aim to combat poverty in the poorest and most fragile countries through pioneering infrastructure to help economies grow. He stressed the importance of affordable and sustainable infrastructure services in low-income countries and fragile states and explained that financing for these projects should be increasingly sourced through local capital and credit markets. He described ongoing initiatives in sub-Saharan Africa and southern and southeast Asia which aim to create investment-ready bankable infrastructure development to allow the private sector to come in. He explained that financial tools like green bonds are helping drive more capital to projects that aim to fight climate change, and in this respect, he presented efforts to mobilize private climate finance in underserved, fast growing markets, demonstrating the viability of low carbon, climate resilient infrastructure for private investors.

The above presentations were followed by an interactive discussion, chaired by H.E. Mr. Osama Abdelkhalek and moderated by Ms. Elizabeth Cousens, President and CEO of the United Nations Foundation, during which Member States and representatives of the African Union, the European Union, and civil society addressed the topic and the following points were made:

- Many speakers invoked the track record of agreements across the membership of the UN system and other institutions to emphasize the imperative of peacebuilding and to stress the urgency of financing them properly. In this respect, they welcomed the Secretary-General's report on Our Common Agenda and his proposal for a New Agenda for Peace, which many viewed as an opportunity to depart from business as usual by redoubling efforts to invest in prevention and peacebuilding.
- Speakers recognized the increasing pressure of competing demands for resources, particularly because of the COVID-19 pandemic. Many suggested that this should not distract efforts to mobilize sufficient resources for peacebuilding. They in fact underscored the need for adequate, predictable, and sustained resources for peacebuilding

in the light of the COVID-19 pandemic, which had exacerbated existing inequalities and fragilities. In this respect, they referred to the General Assembly high-level meeting on financing for peacebuilding, scheduled for April 2022, as an opportunity to galvanize new determination and resolve to truly invest in peace.

- Several speakers stressed the importance of local actors, including women and young peacebuilders, for sustaining peace, while at the same time regretting the fact that the tools to support them remain weak and inconsistent. Some speakers called for more flexible funding to become available to grass root peacebuilding initiatives, particularly those led by women and youth.
- A few speakers alluded to the need to diversify the sources of financing for peacebuilding, including through private sector investment and blended and innovative financing mechanisms, while recognizing that a spectrum of sources are needed and that new sources should not be at expense of existing sources. They stressed the need to better understand and leverage private sector incentives for stability and broader private investments to that end. They took note of and encouraged DPPA's efforts to develop a framework with clear investment criteria and peace due diligence standards to help define an innovative financing approach towards peacebuilding. Some also stressed the need to coordinate private investments in conflict-affected settings and recognized the role of "country platforms" in attracting and guiding investments with Development Financial Institutions and key stakeholders.
- They stressed the need for national ownership and for giving due consideration to what is genuinely needed in different contexts. Some Member States indicated that South-South and triangular cooperation, and sustainable local private investments could expand the donor base for peacebuilding activities. These mechanisms, some said, should be thoroughly discussed at the high-level meeting of the General Assembly on peacebuilding financing.
- They recognized that the risk-tolerant catalytic effect of the PBF had proved critical in providing a rapid response and in helping to prevent the outbreak, escalation and continuation or relapse into violence. They voiced support for additional voluntary funding contributions to the PBF by increasing the PBF's donor base. Announcements of additional voluntary contributions were also made during the meeting.
- Many Member States acknowledged the Secretary-General's call for assessed contributions to the Peacebuilding Fund and took note of his forthcoming report to the Fifth Committee. Some strongly supported the idea while others suggested that, before considering such a proposal, there is need to discuss in more detail its implications and how to leverage existing development and humanitarian funding more effectively as well as assessed funding already provided for peacebuilding work.
- They agreed that effective UN peacebuilding means optimizing resources across the UN system and emphasized the need to ensure coherence and overcome silos, including among donors. In this respect, some speakers stressed the important role of peacekeepers in advancing peacebuilding in complementarity with UN country teams, particularly in

transitions contexts. Others suggested that the development system should step up its focus on prevention. This means, they explained, bringing a peacebuilding lens to, and strengthening cooperation across humanitarian, development, and peace actors so that UN peace operations and UN country teams are delivering in an integrated manner in support of the overarching objective of sustainable peace. They also stressed the need for complementarity between different financing facilities of the UN and its partners.

- Several Member States underlined the importance of strengthening partnerships with other actors, including with regional and international financial institutions. They recognized progress in the collaboration between the United Nations and the World Bank, including through DPPA's Humanitarian-Development-Peacebuilding and Partnership (HDPP) Facility, and encouraged further synergies.

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